Proceedings of the Mysore Representative Assembly.

BUDGET SESSION—1928.

FIRST DAY—*31st May 1928.*

The Third Session of the Second Assembly after the Reforms was held in the Jagan Mohan Palace Pavilion, Mysore, commencing at 12 NOON on Thursday the 31st May 1928.

The names of members that were present are printed as an Appendix.

THE DEWAN and THE MEMBERS OF COUNCIL took their seats at 12 NOON precisely, and the proceedings were opened by the Dewan with the following Address:—

GENTLEMEN,

I am glad that in presiding over this meeting of the Representative Assembly, I am able to place before you what may be considered a satisfactory statement of accounts, indicative of a thoroughly sound financial position.

I take it that you have all read the statement of the Financial Secretary, which has been before you for some days, and you must have also studied the Budget proposals for the coming official year.

I hope that those documents have enabled you to gauge the financial position of the State correctly and to feel that no anxiety need be entertained on that score. If we have not been able to budget for a larger surplus than a lakh, it is due entirely to our keen desire—a desire with which you will all, I hope, sympathise—that the manifold activities upon which the State is engaged shall not be starved, that, on the contrary, a courageous as well as consistent policy should be pursued in regard to all such activities, and that we should not hesitate to embark on new enterprises—industrial, agricultural or irrigational—whenever circumstances justify such a course. It was quite possible to provide a much larger surplus, but I believe, and I venture

to think that you will agree with me, that it is better to spend money, provided, of course, you can do it with the necessary wisdom and foresight, than to allow it merely to accumulate in the Treasury.

I do not, of course, wish to convey the impression that the State is so well off financially that it can rest satisfied with its present income, for nothing could be further from the fact. We need more funds and we need them badly. The crying needs of the people, I mean especially those living in the rural parts—and they form the bulk of the population—have yet to be met, and no administration worth the name can remain indifferent to those wants. The Government of Mysore cannot be happy and cannot feel that they have discharged their duty to the people unless they make successful efforts to secure to every village of any size in the State all those things which are essential to their well-being. The raiyat has to be made prosperous and happy. That is our supreme object and we should bend all our energies to its accomplishment. There should be no village of any importance in the State which does not possess the following things:—a drinking-water well which does not dry up when water is most needed; a tank in good repair not silted up, with the sluice neglected; a satisfactory school with at least one competent teacher; a well-managed co-operative society; and a dispensary with a sufficient stock of medicines.

It is a truism that these form the basic necessaries of life—be it town or village life. The towns are able to look after themselves. But how many of our villages can boast of these things? Providing them means, no doubt, enormous outlay and no small effort, but these difficulties need not deter us from making the attempt, and that attempt must and will be made. I appeal to you, Gentlemen, for your earnest co-operation in that great task. Let us address ourselves to it with all the ardour that we can summon. If we cannot command success, let us at least deserve it.

It is never wise to express a definite view of the future, and in referring to our prospects, I base my views upon the position as I see it to-day. I am an optimist, and I feel that the financial resources of the State will improve year by year, not only in consequence of the progressive policy pursued by the State, but also, as a direct result of the labours of the Indian States Committee, who are now engaged on a task of tremendous importance to the States. Whether the political aspect of the problem will receive their

attention or not, it seems to me pretty certain that the financial side of it—and it is the one in which we are really more interested—will find a satisfactory solution at their hands.

I should like now to dwell, for a moment, on the main features of the Budget before us. My comments upon them will be very few and very simple.

I shall first deal with the Revised Estimates for 1927-28.

The Budget of the year, which is coming to a close, was framed on the expectation of a revenue realisation of Rs. 340·10 lakhs and it provided for an aggregate expenditure chargeable to revenue of Rs. 339·80 lakhs with a surplus of Rs. 30,000.

I am glad to be able to inform you that the revenue side will show a net improvement of Rs. 9·62 lakhs. The total revenue which we hope to realise by the close of the year will be nearly Rs. 3½ crores.

The major heads which contribute towards this satisfactory position are: Forest, Excise, Mining Revenue, Civil Works, and Railways.

The budget of net receipts from sandal oil was prepared on the expectation of a sale of 175,000 lbs. of oil. It is now likely that an additional quantity of about 20,000 to 25,000 lbs. of oil, valued at about Rs. 3 lakhs, will be sold before the end of the year.

As you are aware, the working of the Byrapur Chrome Mines was taken up by Government agency during last year. The result has justified the action, and Government have so far realised a net profit of Rs. 1·60 lakhs from this source.

The improvement under Civil Works is partly contributed by the new toll-gates established on important Provincial roads with effect from 1st March 1928 for augmenting the resources available for the improvement of roads.

We expect a substantial increase of about Rs. 4½ lakhs in the net receipts from Railways, of which about Rs. 2¾ lakhs will be contributed by the lines worked by the Madras and Southern Mahratta Railway Company, and Rs. 1¾ lakhs by those worked by our own Department.

On the other hand, there has been a falling off in the realisation from Income-tax. The decrease of about Rs. 4 lakhs under this head is mainly due to the fact that enhanced provision had to be made for refunds in the current year for discharging certain arrear claims of the Gold Mining Companies for the year 1926-27, as well as those expected to be preferred during the current year.

In the Budget, we had provided for an aggregate expenditure of Rs. 355·43 lakhs, of which the allotment of Rs. 10 lakhs made for Irrigation Works charged to Revenue and some special non-recurring items aggregating Rs. 5·63 lakhs were proposed to be met from the balances at the credit of the Reserves.

During the year we have had to meet several pressing demands from departments for additional expenditure, and supplementary grants to the extent of about Rs. 15 lakhs were sanctioned with the assent of the Legislative Council. As a result of the strict control exercised over out-goings, the total expenditure is not expected to exceed the Budget provision by more than Rs. 10 lakhs.

Increase of expenditure occurs chiefly under Forest, General Administration, Medical, Civil Works, Agriculture, Grants for Public Improvements, and Army. The details in respect of each of these heads are given in the Financial Secretary's Memorandum and need not be reiterated here.

I would only remark that the bulk of the increase under Agriculture (about Rs. 2 lakhs) represents grants made for the purchase of serum and for the manufacture of the product locally. You will be glad to hear that this experiment has been a great success. We shall now be able to make our expenditure go much farther than at present and carry on a more active campaign against rinderpest and other diseases of cattle.

The improvement in the revenue position to which I have already alluded, and the strict control exercised over expenditure, will enable us to maintain in the accounts of the year the position of equilibrium assumed in the Budget. The result of the revenue transactions will be a surplus of Rs. 51,000.

Capital Outlay, 1927-28.

The budgeted programme of Capital Outlay not charged to Revenue was Rs. 70 lakhs. This is likely to be exceeded by Rs. 13 lakhs. Two important new works have been undertaken during the year, namely, the Irwin Canal and the transmission of electric power to Metur in the Madras Presidency. The Canal work is in full swing. The working organisation has been developed, and it is expected that the outlay on this project will be about Rs. 28 lakhs during the year, the total estimated cost being Rs. 222 lakhs.

The VII Installation at Sivasamudram, which is nearing completion will give us an additional supply of 12,000

H.P. I am glad to tell you that negotiations with the Madras Government have been completed for the supply of power from Sivasamudram to Metur. The cost of transmission is expected to be about Rs. 10½ lakhs, of which about Rs. 7 lakhs will be spent before the end of June 1928. Including this additional provision, the total Capital Outlay during the year is expected to be about Rs. 83 lakhs.

Budget Estimates, 1928-29.

The Budget for the year 1928-29, as now framed, is expected to show an improvement in revenue of about Rs. 6¼ lakhs over the revised figures of the current year, with a slight decrease in the aggregate expenditure. The total revenue is estimated at Rs. 356 lakhs, the highest figure so far reached and provision is made for an aggregate expenditure of Rs. 365 lakhs, of which Rs. 10 lakhs will be drawn from the Reserves, for financing the bulk of the outlay on Irrigation Works. The year's revenue transactions are expected to result in a surplus of one lakh of rupees.

The important heads which are expected to contribute to the improvement in revenue are Land Revenue, Excise, Income-tax, Miscellaneous, Railways, and Hydro-Electric Works.

The introduction of the Revision Settlements in the T.-Narasipur Taluk and the anticipated sales of large blocks of Amrit Mahal Kaval lands released for cultivation, with the speedy disposal of irrigable lands under the Bhadra Right Bank Channel, account for the improvement in Land Revenue.

An increased income of about Rs. 1½ lakhs is expected under "Miscellaneous" from the sale of building sites in the new extension formed near the Central Jail in Bangalore.

The net receipts from Railways are expected to show a further advance in the ensuing year, owing to normal improvement in traffic earnings from the lines worked by the Company and by the State, and the anticipated opening of the Shimoga-Ragihosahalli line from 1st January 1929, and also to the decrease in the working expenses of the Railways managed by the Government.

In accordance with the agreement with the Madras Government, the Metur transmission line will be completed and put in service by November 1928. The work is expected to yield a revenue of about a lakh of rupees in the ensuing year. Consumption of power in connection with the tunnel works at Hulikere, and the new installations

already completed or expected to be completed before the end of the next year in several towns, *viz.*, Channapatna, Bowringpet, Kolar, Tumkur and Nanjangud, also account for some improvement in the Electrical revenue. The supply of electric power to various parts of the State through these installations opens out a vista of great possibilities in agricultural development. Let me hope that the day is not far distant when every owner of land in the area served by the Electrical Department will take advantage of the facilities afforded to him and irrigate his land by electric pumps.

Expenditure.

The expenditure grants provided under Irrigation Works and Education are Rs. 4 lakhs and Rs. 5 lakhs, respectively, over the Revised.

In my Dasara Address of 1927, I briefly reviewed the programme of Irrigation Works which Government intended to carry out during the next three years. In pursuance of this policy, the grant for Irrigation Works in the next year's Budget is enhanced from Rs. 10 lakhs to Rs. 14 lakhs. Of this sum, Rs. 10 lakhs will be met, as heretofore, by drawing on the Reserves earmarked for the purpose, *viz.*, Irrigation Capital Reserve, Interest on the Famine Fund and Irrigation Cess Fund, and the balance of Rs. 4 lakhs will be met from the year's revenues.

The Education Budget of next year shows a rise of Rs. 5 lakhs over the Revised. A sum of about Rs. 2 lakhs out of this increase does not represent any real addition to the normal budget of the Education Department, as the revised estimate records a lapse of about Rs. 2 lakhs in the current year's grant, owing mainly to reduced expenditure under building and other special grants and to the receipt of arrear contributions from the Cess funds.

The grant to the University will be enhanced by Rs. 2 lakhs, *i.e.*, from Rs. 7·75 lakhs in the current year to Rs. 9·75 lakhs next year, to meet the cost of the new Intermediate Colleges and of the proposed transfer of the Medical College to Mysore. The resources of the University will also be improved to the extent of Rs. 30,000 by the transfer of the fees of the First Year Intermediate Class.

I will now refer to some of the other important provisions made for new activities and developments.

The scheme of Record of Rights, introduced as an experimental measure in three taluks in the current year, is

proposed to be extended to a few more taluks. This measure, while benefiting the argicultural population, is expected to be self-supporting.

A special grant of Rs. 1¼ lakhs will be allotted to the Forest Department for the exploitation of timber on a large scale and for undertaking other development works.

There is need for strengthening the supervisory and preventive establishment in the Excise Department. Government have recently sanctioned the revival of separate District Excise Officers in the districts of Mysore and Shimoga and a sum of Rs. 10,000 is allotted for this purpose in the ensuing year's Budget.

The question of improving the pay and prospects of Sub-Registrars and other subordinate establishments has been repeatedly urged on the attention of Government. It is proposed to allot a sum of Rs. 25,000 for the re-organisation of this department.

More money is required for properly equipping our hospitals and dispensaries. The District Boards are pressing for the opening of more dispensaries in rural parts. The Medical Department will accordingly be given an enhanced provision of Rs. 11·60 lakhs, which is Rs. 1·42 lakhs over the expenditure of last account year.

Dr. Sweet of the Rockefeller Foundation has for some time been engaged in making a Health Survey of the State. He has drawn up an interesting report (which will be published shortly) of the work done by him so far, and has made several useful suggestions for initiating health measures of vital importance to the State. It is proposed to allot a sum of Rs. 50,000 as a first instalment for health work in the ensuing year.

An additional sum of Rs. 90,000 is provided for developing the work of the Agricultural Department.

The Malnad Improvement grant is raised to Rs. 1½ lakhs.

The results of well-boring experiments with power drills have been encouraging. To provide greater facilities for drinking water in towns and villages, it is necessary to carry out well-boring work with power drills in a systematic manner. An enhanced provision of Rs. 69,000 is made on this account.

The quarters provided for Military Forces in different parts of the State require urgent repairs. Provision has been made in the Budget for this work.

Capital Outlay.

The Capital Programme of next year involves an outlay of about Rs. 89½ lakhs, the bulk of which (namely, Rs. 83½ lakhs) will be required for works in progress. This grant has been provisionally distributed as follows:—

	Rs. in lakhs.
Railways and Tramways	19·54
Hydro-Electric Works—	
Electrical Department	20·00
Krishnarajasagara Dam Works ..	2·50
Irwin Canal Works	36·00
Industrial or other Works	1·51
Iron Works	10·00
Total ..	89·55

The construction of the Shimoga-Arasalu line up to Ragihosahalli is expected to be completed by the end of this calendar year. It is proposed to undertake the extension of the line beyond Ragihosahalli up to Arasalu, and a provision of Rs. 6 lakhs for this work is included in the Capital grant for Railways, *viz.*, Rs. 19·54 lakhs.

The new Bangalore Water Supply Scheme to which I referred in my last Address is still under consideration, and when the proposals mature, measures for financing the scheme will be formulated.

As the House is aware, Government are contemplating the replacement of high interest bearing securities by a long-term loan on a lower rate of interest at the earliest possible opportunity, and suitable action in this direction will be taken as soon as the conditions of the money market admit of the floatation of a conversion loan. In the meantime, we hope to finance the capital as well as revenue expenditure without resort to market borrowing.

Such, in brief, is the Budget programme for the coming year.

Gentlemen, before concluding, I must express my regret, which, I know, is shared by many of you, that Rajasabhabhushana Mr. K. Chandy, First Member of Council, is shortly to retire from service. He has always taken a keen interest in constitutional problems and particularly in the development of local self-government in the State. I hope that his retirement from service will not prevent his taking an active part in the public life of the country, a part for which he is so well qualified by reason of his broad outlook

and ripe experience. Our good wishes go with him into whatever activities he may select to fill his leisure.

The Address over, KHAN BAHADUR MAHOMED ABBAS KHAN expressed the regret of the Assembly at the forthcoming retirement of Rajasabhabhushana K. Chandy, First Member of Council, and conveyed the heartfelt thanks of the Assembly for the long and valuable services rendered by him to the State for thirty years in several capacities, and chiefly in regard to the development of local self-government, elevation of the depressed classes and extension of the co-operative movement. Above all, he said that his sympathy for the masses had earned for Rajasabhabhushana K. Chandy the fullest confidence of both His Highness the Maharaja and His Highness' subjects and concluded with the wish that he may be spared for long in his retirement so that the State and its subjects might continue to derive the fullest benefit of his advice and help.

MR. BELUR SRINIVASIENGAR also expressed similar sentiments and requested Government to take the earliest opportunity to nominate Rajasabhabhushana K. Chandy to the Legislative Council so that, having rendered valuable services to the Government for so long, he might continue to remain in Bangalore and work in future for the people of the State.

MR. GURUMURTHIACHR also joined in this request.

RAJASABHABHUSHANA K. CHANDY thanked the members for their kind references and good wishes.

The Kannada translation of the Address was read by MR. K. H. RAMAYYA, Registrar of Co-operative Societies.